TECHNICAL REPORT

AHB AU 1 (mineral tenure 844710), AHB AU 2 (844712), AHB AU 3 (844714)

AHBAU LAKE PROPERTY

CARIBOO MINING DIVISION
QUESNEL DISTRICT
BRITISH COLUMBIA, CANADA

NTS 093L
UTM Zone 10 (NAD 83): 560050E, 5900500N

Prepared for: Silverstar Mining Canada Inc.
Room 310 – 675 West Hastings Street
Vancouver, B. C., Canada, V6B 1N2.

Date of Report: July 20, 2012.
Re: Statement of Work: Event number 5373594
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1.0 SUMMARY

The AHB AU 1 – 3 mineral tenures, comprising 1006.2 hectares, located southeast of Abbau Lake in the Cariboo Mining District of central British Columbia, are being explored in search of valuable occurrences of gold mineralization similar to that found in similar terrain in the Barkerville area. Ownership has been assigned to Silverstar Canada Mining, Inc., which company has initiated a program of property examination and evaluation under the leadership of the author of this report, a qualified exploration geologist.

A reconnaissance level property visit was conducted in the period July 19 to 21, 2012. In addition to examining the condition of access routes, it was possible to examine a few small outcroppings of formations similar to rock types found in the historic Barkerville gold mining district that lies forty km south. Available geologic information indicates that a northeast trending fault passes through the AHB AU 1 – 3 tenures, possibly creating conditions that are structurally and geologically similar to those found in the Barkerville area. A photogrammetric study of lineaments and fractures visible in satellite imagery of the area produced a structural pattern consistent with regional data. The significance of the structural features has not been adequately investigated in the field.

2.0 INTRODUCTION

This report titled “Technical Report, Abbau Property, Quesnel Area, British Columbia, Canada”, dated July 20, 2012, was prepared for Silverstar Mining Canada Limited in order to provide information in support of a Statement of Work filed on June 28, 2012 as event number 5373594. It includes an overview of the AHB AU 1 -3 mineral tenures and provides recommendations for further work to determine the mineral potential of those tenures.

The AHB AU 1 – 3 mineral tenures are located 40 km north of Quesnel, British Columbia, and are on trend with the northerly projection of the Cariboo gold district that in 1858 was the scene of the major “Cariboo Gold Rush”. The initial gold rush continued with diminishing vigour until the end of the 19th Century and was followed by development of several underground mines, the last of which closed in 1969. Currently placer mining continues on a small scale and the district is the scene of drilling to define gold resources, including major drilling programs on properties of Barkerville Gold Mines Ltd. where resources that include more than 310 million grams (10 million ounces) gold above a 5 gram/tonne gold cut-off in an “indicated” category, and more than 559.8 million grams (18 million ounces) gold in an “inferred” category were announced in a news release dated June 28, 2012.

For the purposes of this report gold values are presented in SI metric units followed by the equivalent Imperial system values in parentheses.

The AHB AU 1 – 3 mineral tenures adjoin the southeast side of Abbau Lake. Bedrock is believed to comprise Barkerville Terrane but is largely obscured by deep deposits of till, sand, gravel and clay deposited by Quaternary and Recent glacial events. Underlying rock types include Snowshoe formation meta-sedimentary rocks of late Proterozoic/early Paleozoic age that are similar to those found to the south where they are the principal host to gold mineralization mined by the former Cariboo Gold Quartz and Island Mountain gold mines and the Bonanza Ledge zone currently being explored by Barkerville Gold Mines Ltd. They are considered to be the source of much or all of the placer gold recovered from the Barkerville camp.

Erik A. Ostensoe, P. Geo., the author of this report, is a consulting geologist with broad experience in mineral exploration in many parts of the world, including recent work in the Cariboo District of British Columbia. He conducted a site visit to the AHB AU 1-3 mineral tenures in the period June 19 to 21, 2012 and had previously conducted geological work in the area. In addition, a satellite imagery-based photogrammetric study of patterns of lineaments and fractures was prepared as an aid in interpreting local structural features. Additional fieldwork is required.
Further information concerning the Barkerville mining camp and its geological features can be obtained from publications of the Geological Survey of Canada, the Geological Survey Branch of the British Columbia Ministry of Mines, historic and current publications, ARIS* assessment work reports, and technical disclosures posted on SEDAR by Barkerville Gold Mines Ltd. concerning that company’s on-going exploration, permitting and development work at that Company’s Bonanza Ledge gold zone and at Cow and Island Mountains, the site of the former operating underground Cariboo Gold Quartz and Island Mountain gold mines.

Where appropriate, sources of information are acknowledged in the text. A fuller listing of data sources is included in Section 27.0 - References. [*ARIS – Assessment Report Indexing System]

The AHB AU 1 – 3 property location is shown in Figures 1 and 2 of this report. The property comprises three mineral tenures with total area 1006.2 hectares. Table 1 shows details of tenure number, tenure name, registered owner, date of location, date of expiry, and area in hectares of each tenure. The tenures are located at the southeast side of Ahbau Lake in the Cariboo Mining District of Central British Columbia. Geographic coordinates of the center of the tenures are 122.10°W, 53.25°N; UTM coordinates (Zone 10, NAD 83) are 560050E, 5900500N. Elevations rise from 900 metres at the lake shore to 1200 metres. Closest settlements are Quesnel, B. C., 40 km southwest and Wells, B. C., 40 km southeast. Access is easterly from 3 km north of Dunkley Lumber Ltd. on Provincial Highway 97 via the “700” road: Ahbau Lake is 35 km east of the Highway.

Parts of the AHB AU 1 -3 tenures have been logged and re-forested. There are no known environmental liabilities to which the property is subject.

<table>
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<th>Reg’d Owner</th>
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Table 1. Mineral Tenures

The AHB AU 1 – 3 mineral tenures are situated in an area of subdued topography that formerly was heavily forested with stands of interior fir, jack pine, poplar and birch trees. The first phase of logging in the vicinity of Ahbau Lake, which apparently occurred several decades ago, removed much of the mature tree cover and the remaining pine trees recently were salvaged logged as part of efforts to control Mountain Pine Beetle infestations and to realize some value from the infected trees. Reforestation efforts are in progress. Parts of the area, including all of Ahbau Lake, are included in Tree Farm Licence 53, held by Dunkley Lumber Company. That company maintains a myriad of logging roads, including their “700 Road” that passes from Highway 97 to Ahbau Lake and beyond.

Access to the mineral tenures is by the well maintained log haul 700 Road from Highway 97, 48 km north of Quesnel, almost to the north end of Ahbau Lake, a distance of 35 km, and thence 2 km by the “1000 Road” to a Forestry campground at the water’s edge from which point a long abandoned, very rough, logging road passes along and above the east side of Ahbau Lake: the AHB AU 2 tenure is entered at about six km. The network of former logging roads has deteriorated due to the passage of time and the effects of normal weather events, but can be travelled on foot, dirt bike or ATV. Travel time with a four wheel drive equipped vehicle from Quesnel to the north end of Ahbau Lake is about one and one half hours. A further two hour hike is required to reach the AHB AU 2 tenure. A relatively small amount of road improvements would greatly facilitate any future work on the property. Alternatively, the use of a small boat equipped with outboard engine is recommended: travel time from the campsite to the property would be reduced to less than a half hour.

The general Quesnel area of central British Columbia experiences warm summers with occasional thunderstorms and moderately cold winters. Snow accumulations seldom exceed one metre at lower elevations and two metres at
higher levels. Mineral exploration field work can be conducted from May through October; drilling operations can be conducted year-round.

Forest cover originally comprised vast evergreen forests with pine, spruce and interior fir along with birch, cottonwood, aspen and willow. Although much virgin forest remains, large areas have been clear cut and reforested, particularly where Dunkley Lumber Ltd. manages its Tree Farm Licence 53.

The general Cariboo district of central British Columbia is offers many recreational opportunities, including in winter, snowmobile travel, cross country skiing, snowshoe and dog team adventures, and ice fishing, and in summer, fishing, boating, hiking, wilderness camping and ATV exploring. In autumn, a heavy hunting pressure, directed to moose, deer and bear, is maintained by residents of nearby communities.

The AHB AU 1 – 3 tenures are favourably situated with respect to infrastructure. Quesnel, a city with 10,000 persons in its city limits and 23,000 when combined with surrounding area, has a strong industrial base of logging and related industries and offers most services needed in support of mining activities, including education, health, transportation and recreation facilities. Prince George, population 76,000, the principal administration and transportation hub of central British Columbia, is 115 km north of the tenures. Skilled workers with experience in the logging, lumbering, ranching, and mining activities are normally available for hire in Quesnel and nearby communities.

The Ahbau Lake area is located in the Intermontane physiographic province of the Canadian Cordillera and, more specifically, in the Fraser Plateau subdivision. The Cariboo Mountains lie close by to the east. Terrain is relatively subdued: the plateau surface is dissected by numerous streams and many small lakes dot the area. The principal stream in the area, Ahbau Creek, flows southwesterly from Ahbau Lake to the Fraser River.

The Quesnel and Barkerville areas of central British Columbia have a long history of placer mining operations. Initial discoveries of gold placer bonanzas in 1857-58 resulted in a huge influx of miners, followed by the establishment of several communities. Quesnel, originally an access point for persons and freight going to the Barkerville area, became an administrative center and a wintering site for miners who were unwilling to be snowbound in the “diggings”. The early rich ground at Stanley, Richfield and Williams Creek continued to be mined but late comers and adventurers looked for similar riches both to the north and south. Many were able to make a living on the nearby creeks and on the Quesnel and Fraser Rivers and some went further afield to streams tributary to those rivers, including Ahbau Creek that flows southwesterly from Ahbau Lake and the AHB AU 1-3 mineral tenures.

Concomitant with extensive placer mining activities in the Barkerville area, attention was directed to bedrock sources of gold, particularly those recognized in the northern parts of the district near Jack of Clubs Lake and what became the town of Wells. A series of operators produced small amounts of gold from shallow adits and pits on Cow Mountain and Barkerville Mountain but ownerships were fragmented and little progress was achieved until The Island Mountain Quartz Mining and Milling Company was incorporated in 1887, followed by installation of a 10-stamp mill. Recovery problems plagued the operation and it subsequently failed. In 1927 Fred Wells formed The Cariboo Gold Quartz Mining Company, consolidated several groups of claims and commenced development work. A 50 ton per day mill, built in 1933 and increased to 100 tons per day in 1934, continued in operation until 1969. The Island Mountain mine was rejuvenated in 1925 and acquired by Newmont Mining Corporation in 1933. Newmont operated the mine at 100 tons per day until 1954 then sold it to the Cariboo Gold Quartz Mining Company, Limited.

The two notable gold mines, Cariboo Gold Quartz mine and Island Mountain mine, operating as small scale underground operations, struggled to survive during the post-depression and wartime years when gold prices were low and manpower and materials were hard to obtain: their continued existence at times was wholly sustained by Emergency Gold Mining Assistance payments. Although hardrock mining ceased in 1969, exploration has continued, spearheaded in recent years by Barkerville Gold Mines Ltd., which company on June 28, 2012 announced a resource estimation on the basis of a compilation of data from 7,100 drill holes. A National Instrument 43-101 compliant indicated resource of 69,039,000 tons, (62,673,604 tonnes) with 10,626,100 contained gold ounces (330,471,710 grams gold) above a 0.025 ounce per ton (0.857 g/tonne gold) cut-off, and a conceptual geological potential of 404 –
684 million tons with 65 – 90 million ounces gold, was estimated (source: News Release, June 28, 2012). The resource figures currently are being reviewed and may be revised.

The above-quoted resource estimations are from drill hole and other data from approximately 10% of the length of Barkerville Gold Mine’s part of the geologically prospective gold belt that comprises the Rainbow Unit within the Barkerville Terrane. The latter is a late Proterozoic and/or early Paleozoic sequence of metamorphosed clastic rocks with lesser amounts of marine carbonate rocks and volcanic rocks that has been mapped over 32 km to the south. Its northerly extent has not been determined due to overburden cover. All units within the Barkerville terrane have been subjected to ductile deformation and complex folding, faulting and thrusting. North trending fault structures appear to be important controls of gold vein mineralization. Gold occurs in quartz veins in shears and tension-type fractures and in zones of disseminated pyrite and pyrrhotite (source: N/R, June 28, 2012).

At the present time, much of the belt of Barkerville Terrane formations from Horsefly/Quesnel Lake in the south to the Willow River area in the north is claimed by valid mineral tenures. Encouraged by recent Geoscience BC and related programs, including airborne geophysical surveys, and measures to offset the effects of the Mountain Pine Beetle infestation, and by the continuing intensive exploration efforts by Barkerville Gold Mines Ltd. in the historic Gold Rush area and, further south, by Fjordland and Cariboo Rose, Hawthorne and others, prospectors and mineral explorers have focused on the Barkerville Trend.
3.0 GEOLOGICAL SETTING AND MINERALIZATION

The Cariboo mining district of central British Columbia extends westerly from the Cariboo Mountains to the Fraser River, and northerly from the historic towns of Horsefly, Likely and Quesnel Forks to a poorly defined limit southeast of Prince George, B. C., a distance in excess of 150 km.

The rich Barkerville “camp” of placer mining, and prospectively in the near future, the renewed site of “hardrock” gold mining activities, lies between “Quesnellia” Terrane to the west and Cariboo Terrane to the east. Barkerville Terrane comprises metasedimentary rocks of the Proterozoic to early Paleozoic Snowshoe Group of limestone, phyllite and quartzite formations that have been regionally metamorphosed to lower greenschist facies (Figure 3a, 3b). Members have been deformed and displaced by folding and thrusting, including ductile deformation events and by mainly dextral strike-slip faulting. Conjugate north-trending faults appear to have provided environments within which gold veins and zones of disseminated sulphide minerals developed. Intrusive rocks are scarce, comprising a small number of narrow, altered sills and several small bodies that have been described as “diabase”, “gabbro” and “diorite”. None of the identified intrusions is proximal to the actual gold mines.

Gold deposits within the Barkerville Terrane occur in the so-called “Rainbow” member as quartz-pyrite veins in fracture zones and commonly are accompanied by ankerite, bismuthinite, scheelite, galena, sphalerite and telluride minerals. The former mines exploited narrow quartz veins and quartz vein stockworks and lesser volumes of massive auriferous pyrite lenses. Individual ore-bearing structures were in some cases mined over several hundreds of metres strike length. The fault structures associated with gold deposition are oriented northerly and dominantly inclined easterly. Northeasterly trending splays off the main fractures also are important host structures.

The AHB AU 1 – 3 mineral tenures are prospective for deposits of both bedrock and placer gold that may be similar to those that comprise the Barkerville “Cariboo” gold district. The geologic model includes quartz veins and quartz vein stockworks in deformed sedimentary formations that have been subjected to lower greenschist facies metamorphism. The initial source of gold may have been as disseminations in the host rocks with subsequent mobilization by tectonic events into quartz veins.

An estimated 1 million grams of placer gold, in the period 1864 to 1874, is estimated to have been recovered from workings located on Ahbau Creek, about two to ten km southwest of the AHB AU 1 – 3 tenures (source: government reports quoted in the Cyprus Anvil property data files). Other placer mining operations, in the mid-1900s, were located between Ahbau and Lodi Lakes (see Figure 4) but there appear to be no records of the amount of gold that was recovered. The gold recovered by placer miners is almost certainly derived from nearby bedrock sources but might also have been concentrated by re-working of the extensive deposits of glacially transported materials that may have been carried relatively long distances by ice movement.

Exploration for “Cariboo” gold mineralization in bedrock in the Ahbau Lake area is frustrated by extensive cover of glacial tills and sand, gravel and, to a lesser extent, clay, that mask bedrock and provide a barrier to geochemical signatures. Nonetheless, it is probable that careful prospecting and geologic mapping of the AHB AU 1 – 3 tenures would result in discovery of sufficient outcroppings to produce a reasonably complete geologic map. Elsewhere in the district geophysical surveys have proven useful in detecting shear structures that potentially are host to mineralization. A satellite imagery-based photogrammetric study (Figures 5 and 6) showed two principal directions of fracturing: northwest and northeast: The former is consistent with Cordilleran trends; the second, with a strong, throughgoing fault structure (shown in Figure 3a) that, by analogy, is similar in orientation to some of the lesser, but important, gold-bearing structures in the Wells-Barkerville area. There are no records of any historic investigations into the mineral potential of this feature.

The AHB AU 1 – 3 mineral tenures are situated in the Cariboo Highlands subdivision of the regional Omineca Belt of central British Columbia and are believed to be in the northern extension of the Barkerville Terrane. Many, if not all, of the creeks that flow in the Cariboo mining district have been staked and maintained by placer miners and would-be
placer miners. Placer tenures apply only to unconsolidated materials but the bedrock underlying the placer ground is also almost entirely held by mineral tenures. Although ownership of some claim parcels, to a certain extent, rotates within the mineral exploration fraternity, several companies, most notably Barkerville Gold Mines Ltd., have very large land positions that are actively being explored. The level of exploration activity by individuals and junior companies is currently quite low but may accelerate in the future due to the demonstrated presence of a very large gold resource in the Wells-Barkerville area and the stated intention of Barkerville Gold Mines Ltd. to establish one or more mines.

ARIS report #28937 is a record of a geochemical soil survey in the area west of Ahbau Lake that included 2834 soil samples. Two anomalous areas were indicated: one, a multi-element anomaly with area about 23 hectares and high zinc, copper, cobalt, lead, silver, barium and phosphorus values, was shown to be coincident with an airborne uranium anomaly; the second, a multi-element anomaly with elevated levels of nickel, cobalt and chromium, proved to be coincident with a total field magnetic anomaly. The latter anomaly was attributed to a steeply southwest dipping, 1.5 km long, alpine ultramafic lens.

The G-South prospect, located approximately 9 km southwest of the AHB AU 1 – 3 tenures, comprises a small cluster of apparently volcanogenic (?) shear-hosted polymetallic (silver-lead-zinc +/- gold) massive sulphide veins and veinlets. It appears to be located west of the Barkerville Terrane in Takla Group augite porphyry, andesite and rhyolite. A non-NI 43-101-compliant resource of 45,355 tonnes with 10.2 g/tonne gold was reported in 1986 by Gabriel Resources Inc. (quoted in Minfile entry 093G 007).

[Note that the above-quoted resource figures have not been verified by a Qualified Person and that the occurrence is dissimilar from the type of mineralization that is being sought on Silverstar’s tenures.]
Legend

- Claims

Fault Type
- Fault
- Normal Fault
- Thrust

Quaternary Unit

Geological Unit
- EJsy - Mesozoic - Unnamed syenitic to monzonitic intrusive rocks
- KNa - Mesozoic - Naver Pluton and Associated Satellite Bodies granite, alkali feldspar granite intrusive rocks
- MPA - Paleozoic - Antler Formation basaltic volcanic rocks
- Mdr - Paleozoic - Unnamed dioritic intrusive rocks
- OIPcg - Cenozoic - Unnamed conglomerate, coarse clastic sedimentary rocks
- PrPzSc - Proterozoic to Paleozoic - Snowshoe Group quartzite, quartz arenite sedimentary rocks
- PzSgs - Paleozoic - Snowshoe Group greenstone, greenschist metamorphic rocks
- IMPSM - Paleozoic - Slide Mountain Complex basaltic volcanic rocks
- muTrN - Mesozoic - Nicola Group undivided sedimentary rocks
- muTrTsf - Mesozoic - Takla Group mudstone, siltstone, shale fine clastic sedimentary rocks
- uPrPzS - Proterozoic to Paleozoic - Snowshoe Group metamorphic rocks, undivided
- uPrPzSgs - Proterozoic to Paleozoic - Snowshoe Group greenstone, greenschist metamorphic rocks
- uPzC - Paleozoic - Crooked Amphibolite serpentinite ultramafic rocks
- uTrJNvc - Mesozoic - Nicola Group volcaniclastic rocks
4.0 GEOPHYSICAL AND GEOCHEMICAL SURVEYS

Government agencies, in recent years, in response to several circumstances, have directed geoscience resources to parts of central British Columbia. These efforts have been prompted by a level of interest in the possibility that oil and/or natural gas may be found, by the modest success achieved by mineral explorers, including prospectors, despite the limited amounts of bedrock exposure available for review, and by the perceived need to generate alternative sources of employment and revenue to replace the economic activity formerly generated by the logging and milling of the forests that now are being devastated by a Mountain Pine Beetle infestation. The objective of the geosciences initiatives was to build a strong geologic database in support of mineral and petroleum related exploration and, subsequently, to more efficiently discover economic deposits.

5.0 2012 PROGRAM OF WORK

The author of this report, a consulting geologist, accompanied by Peter Burjoski, a prospector and placer gold mining specialist, in the period June 19 to June 21, 2012 investigated the AHB AU 1 – 3 mineral tenures to determine the status of access routes and the current condition of historic roads, to review the geology wherever bedrock formations could be found, and to plan a program of field work that may better illuminate the geologic potential of the tenures, including the possible presence of alluvial gold in overburden. The area of the boundary between AHB AU 1 and AHB AU 2 mineral tenures was accessed with difficulty by hiking along a badly deteriorated historic logging road that parallels the east side of Ahbau Lake. Although it was possible to observe the prevailing terrain and access, only a small number of outcroppings of bedrock were found. A strongly foliated dark (green to black) chloritized and epidotic metavolcanic formation consistent with the definition of Barkerville Terrane is exposed in the roadway close to the common boundary between AHB AU 1 and AHB AU 2 tenures. No samples were taken for analysis or assaying purposes.

The author was able only to access the northwestern parts of the AHB AU 1 -3 mineral tenures and has relied upon other sources, including The Map Place data site, for some of the information included in this report. A program that includes a semi-detailed MMI-type geochemical soil sampling and geological reconnaissance of the entire property is included in the Recommendations section of this report.

A photogrammetric study, using satellite imagery, was undertaken to investigate possible patterns of fracturing, including faulting, that may be present. Results of that study failed to reveal any anomalous trends: the strong northwest pattern is consistent with Cordilleran trends and the strong northeast trend is similar in orientation to a fracture system that has been identified elsewhere in the area.

6.0 INTERPRETATION AND CONCLUSIONS

The AHB AU 1 – 3 mineral tenures are located in a probable northern continuation of the historic Barkerville Terrane that was a very prolific source of placer and in situ gold and in which a major gold resource was recently (June 28, 2012) disclosed. Insufficient work has been completed on the property to permit any conclusions concerning the potential of the subject mineral tenures but it is the author’s belief that a modest program of exploration, including prospecting, geological reconnaissance, geochemical sampling (MMI-type survey preferred), and, possibly, geophysics, is required in order to determine if the strong northeast-trending fault/fracture zone that passes through the tenures is accompanied by concentrations of valuable metals.

The geology of the Ahbau Lake and nearby areas has been mapped and reported on by geoscientists from the Geological Survey of Canada and the B.C. Geological Survey Branch. Their studies in some cases also included
consideration of the much studied Barkerville and vicinity “hardrock” and placer deposits. Their somewhat tentative conclusions emphasize the uncertainties related to the original source(s) of the gold, its initial concentration by weathering and erosion, followed in some areas by distribution of the gold due to the influence of valley glaciations and regional scale intensive continental-type glaciations and the subsequent events of deglaciation that resulted in movement of massive volumes of meltwaters and sediments. Successful exploitation of placer gold concentrations in some areas required identification of certain deep channels and other sites that had been sheltered from the scouring action of glaciers and the resulting meltwaters, and in other areas, finding sites into which the gold had been subsequently concentrated and re-deposited. Both primary and secondary placers have been profitably worked, as have, at the Island Mountain (Aurum) and Cariboo Gold Quartz Mines, primary bedrock gold deposits.

Gold deposits in the Barkerville “camp” occur in veins in shear zones, particularly in the Rainbow Unit: at Cow Mountain mineralization occurs over 4300 feet (1300 m) strike length and at Island Mountain, over 8600 feet (2600 m)(reference: Barkerville Gold Mines Ltd. News Release, June 28, 2012). “...the Rainbow Unit can be mapped over a strike length of approximately 8 km (5 miles) and has been traced at least another 16 km (10 miles) south into the Cunningham Creek area.

The regional stratigraphy within which the Rainbow Unit occurs has been mapped to the Cariboo Lake area, 32 km (20 miles) to the south of Barkerville Mountain (Barkerville N/R, op. cit.).

The AHB AU 1 -3 mineral tenures are located about 35 km northwest of Barkerville Gold’s discovery area: the intervening distance, due to increased depth of overburden and only sporadic occurrences of placer gold in streams, has not been explored with the same amount of effort as has the southerly continuation of the favourable geologic units.

7.0 RECOMMENDATIONS

It is recommended that the AHB AU 1 – 3 mineral tenures at Ahbau Lake be explored to determine if the Rainbow Unit of Barkerville Terrane is present and if gold is present. A two part program of exploration was recommended to the owner of the tenures:

Phase 1. Conduct geological reconnaissance and prospecting of the entire property, including testing by panning and taking pan concentrate samples from all streams, and MMI-type (mobile metal ion) soil geochemical samples from a grid of sample lines (Figure 7). A five person field crew, working from a base camp at the forestry campsit e at the north end of Ahbau Lake and accessing the various parts of the property by boat, will require four weeks. About 600 MMI samples will be analysed.

Phase 1 work will provide a good overview of the geologic potential of the AHB AU 1 – 3 tenures. The data will be filed as assessment work to maintain the tenures for the maximum allowable ten years.

Sufficient information will be obtained to enable a decision to proceed to Phase 2. If the decision is positive, Phase 2 is likely to include the following program: improved access by restoring roads, detailed MMI sampling and other work in selected areas that were identified in Phase 1 as having anomalous geochemical responses, supported by geology consistent with Barkerville Terrane and, more particularly, Rainbow Unit stratigraphy, and a magnetometer survey of the MMI grid.

Upon completion of Phase 2 work, it will be possible to determine if further work on the AHB AU 1 – 3 tenures is warranted.
Ahbau Project
Cariboo Mining Division, BC

Proposed
MMI-Geochemical Survey

SILVERSTAR MINING CANADA, INC.

Datum: NAD 83/Zone 10
Scale: 1:25,000

As shown: July, 2012
Design: Terrasad Geoscience Services Ltd.
AW: 7
Datum: NAD 83/Zone 10
### 8.0 STATEMENT OF EXPENDITURES

The following expenditures were incurred in completion of the due diligence site visit and in research and preparation of this report:

**June 19 – 21, 2012 – Travel Vancouver to Quesnel to Ahbau Lake; return to Vancouver**

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<th>Description</th>
<th>Cost</th>
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<td>Professional fees – Erik Ostensoe, P. Geo. – three days @ $600/day</td>
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<td>Report Preparation, draughting services, et al. – allow</td>
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9.0 REFERENCES

Information included in this report was obtained in the field and from the following publications and other sources:


Minfile – data base of British Columbia mineral property information – accessed from Ministry website

The Map Place – web-accessed data base of mineral exploration information, including base maps, Geological Survey Branch maps and reports – data can be downloaded from website

CIMM – 1948 – Structural Geology of Canadian Ore Deposits, special volume symposium organized by Canadian Institute of Mining and Metallurgy, includes three papers related to Barkerville District


10.0 AUTHOR’S QUALIFICATIONS

The author of this report, Erik Ostensoe, P. Geo., is a consulting geologist (APEGBC member #18727) who has more than forty years experience in mineral exploration, much of which was in various parts of British Columbia. He is familiar with the geology and structural geology of the Quesnel/Cariboo area of central British Columbia and with the characteristics of gold deposits similar to those found in that area.